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4 OCT 1977

Mr. Wayne G. Granquist
Associate Director for Administrative Management
Office of Management and Budget
President's Reorganization Project
Washington, D.C. 20503

Dear Mr. Granquist:

In response to your letter dated September 20, 1977,
we have studied the draft of the work plan for the Federal
data processing reorganization study you attached.

As an Agency heavily dependent upon data processing to
accomplish our mission, we strongly support the goals of
this study, and concur in the draft as written.

Please keep me advised of your plans and any help we
can provide to the study.

Sincerely,

/s/John F. Blake

John F. Blake
Acting Deputy Director

EB

PRESIDENT'S REORGANIZATION PROJECT

WASHINGTON, D.C. 20503

SEP 2 0 1977

Mr. John E. Blake
Acting Deputy Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Blake:

Enclosed for your review and comment is a discussion
draft of the work plan for the Federal data processing
reorganization study.

We would appreciate receiving any suggestions for
changing the plan by September 30, 1977.

Sincerely,

Wayne Granquist

Wayne G. Granquist
Associate Director for
Management and Regulatory Policy

Enclosure

DISCUSSION DRAFT
August 30, 1977

FEDERAL DATA PROCESSING REORGANIZATION STUDY

OVERVIEW

° In FY 1978, the Federal Government plans to spend more than $4 billion and employ more than 150,000 Federal and contractor personnel to operate over 11,000 computers.

° Over the past few years there has been growing criticism of the way in which the Federal Government acquires, manages and uses its data processing resources. Symptoms of the problem are numerous:

- Public complaints about delays or inaccuracies in computer assisted processing of applications for Federal assistance, issuance of checks and other transactions by the Government are increasing.

- Issues pertaining to computer and communications technology have become the subject of almost daily press coverage.

- Widespread concern has developed that the manner in which computer technology is being used by the Federal agencies represents a threat to individual privacy.

- It currently takes 3-5 years to acquire a major computer system.

- Since 1965, the GAO has released nearly 200 reports dealing with problems in the acquisition and management of Government computers.

- Hundreds of millions of taxpayers' dollars have been wasted or lost through mismanagement and misuse of computer resources.

- OMB has intensified reviews of budgets for computer activities.

- GSA has intensified controls over computer procurements.

- Congress has intensified its review of Federal computer activities, budgets and major computer acquisitions.

° At the same time, there are many areas where the Government could make effective use of computers, but has failed to do so. For example, it may be possible to improve the delivery of services such as unemployment compensation, welfare, social security, etc., through consolidated application of computer technology. It may be possible to reduce the

costs of running the Government by consolidating certain administrative services, such as payroll, which are common to many elements within an agency or shared by several agencies. It also may be possible to improve service or reduce costs by establishing service centers which can provide specialized assistance, such as scientific processing, to a number of agencies.

° The Data Processing Reorganization Study has been initiated to:

   1. Improve the delivery of governmental services through the effective application of computer and related telecommunications technology.

   2. Improve the acquisition, management and use of these resources.

   3. Eliminate duplication and overlap in agency jurisdictions relative to computer issues.

° The study will be organized into a small full-time project management staff and a number of issue-oriented task teams. The project management staff and task teams will be comprised of individuals from the private sector, Federal agencies and state/local governments.

° Specific problems and issues to be addressed have been identified through comments and suggestions received from Federal agencies, Members of Congress, interest groups and the public. Each major problem area will be assigned to a task team for study and development of alternative solutions. In addition, problems and issues which offer high payoffs and can be addressed in an immediate timeframe through administrative policy guidance will be handled as short-term special projects.

° The identification of problems and the development and analysis of alternative solutions will be conducted in a fashion which will permit extensive participation by individuals and organizations that have an interest in the management of Federal data processing resources. This process has been initiated and will continue throughout the course of the study.

° An analysis of alternative solutions to each problem will be presented to the President for decision.

ROLE OF THE PROJECT MANAGEMENT STAFF

A project management staff of seven individuals will be
established to coordinate the planning and execution of the
Federal Data Processing Reorganization Study. The staff
will include two representatives from the private sector,
two from Federal agencies and three from OMB. The project
management staff will formulate plans for the study in
coordination with senior White House and OMB reorganization
officials, coordinate the activities of the task teams to
assure maximum public participation during the conduct of
the study and subsequently coordinate the development of
option papers for decisions by the President.

Project Planning

The project management staff has sought extensive public par-
ticipation in the definition of problems to be addressed by
the study. More than 120 letters were sent to agencies,
Members of Congress, industry associations and other groups
requesting their views on important problems to be addressed,
possible causes and alternative solutions. A request for
comments was also published in the Federal Register. The
response has been outstanding. Over 130 letters contain-
ing hundreds of specific comments and suggestions were
received between mid-July and mid-August. These comments
and suggestions were used to help identify the most signi-
ficant issues and to develop the study plan.

Coordination of Task Team Activities

The reorganization project has been subdivided into a series
of issue areas, each of which will be addressed by a task
team. Teams will include representatives from Federal
agencies, State/local government, academia and the private
sector. Team leaders will be selected from organizations
that would not be significantly affected by the outcome of
the task teams' deliberations. The project management staff
will maintain close liaison with the various task teams to
assure communication and coordination of interrelated study
efforts.

Short Term Special Projects

It is anticipated that the project management staff will
undertake a number of special projects in situations where
high priority issues that require immediate attention are
identified or where new issues are identified that do not
logically fit within the planned task team structure.

Preparation of Final Recommendations

The project management team, assisted by the task team leaders, will have the responsibility for consolidating the findings, public views, and recommendations of the various task teams into a final report. This document will include, as appropriate, recommendations for new legislation, reorganization plans or new policy directions. It will be the basis for decisions by the President.

TASK TEAM STRUCTURE

The many comments received from Federal agencies, Members of Congress, State and local governments, private industry and the public have strongly endorsed the need for a comprehensive reappraisal of Federal data processing organizational structures, policies and responsibilities.

While many of the comments were critical of current computer and telecommunication management practices, they also provided many constructive suggestions on improvements that could be made. These comments have served to identify the most significant issues which need to be addressed and were used to develop an approach for addressing these issues.

The largest number of comments were directed at problems associated with:

° The planning, management and use of computers by
  program agencies.
° The acquisition process.
° Policy guidance, regulation and control exercised by
  central policy agencies.

To a lesser degree, comments were directed at operational management issues, standards issues, personnel issues and other subjects.

The task team structure which has been selected is shown on the master schedule (page 6). The structure calls for:

° Six task teams to address planning and management issues
  which are unique to individual operating agencies and to
  obtain further views on government-wide issues.

° Five task teams to address government-wide issues which
  are common to all agencies.

  1. An acquisition task team will address issues
     pertaining to the selection of computational capa-
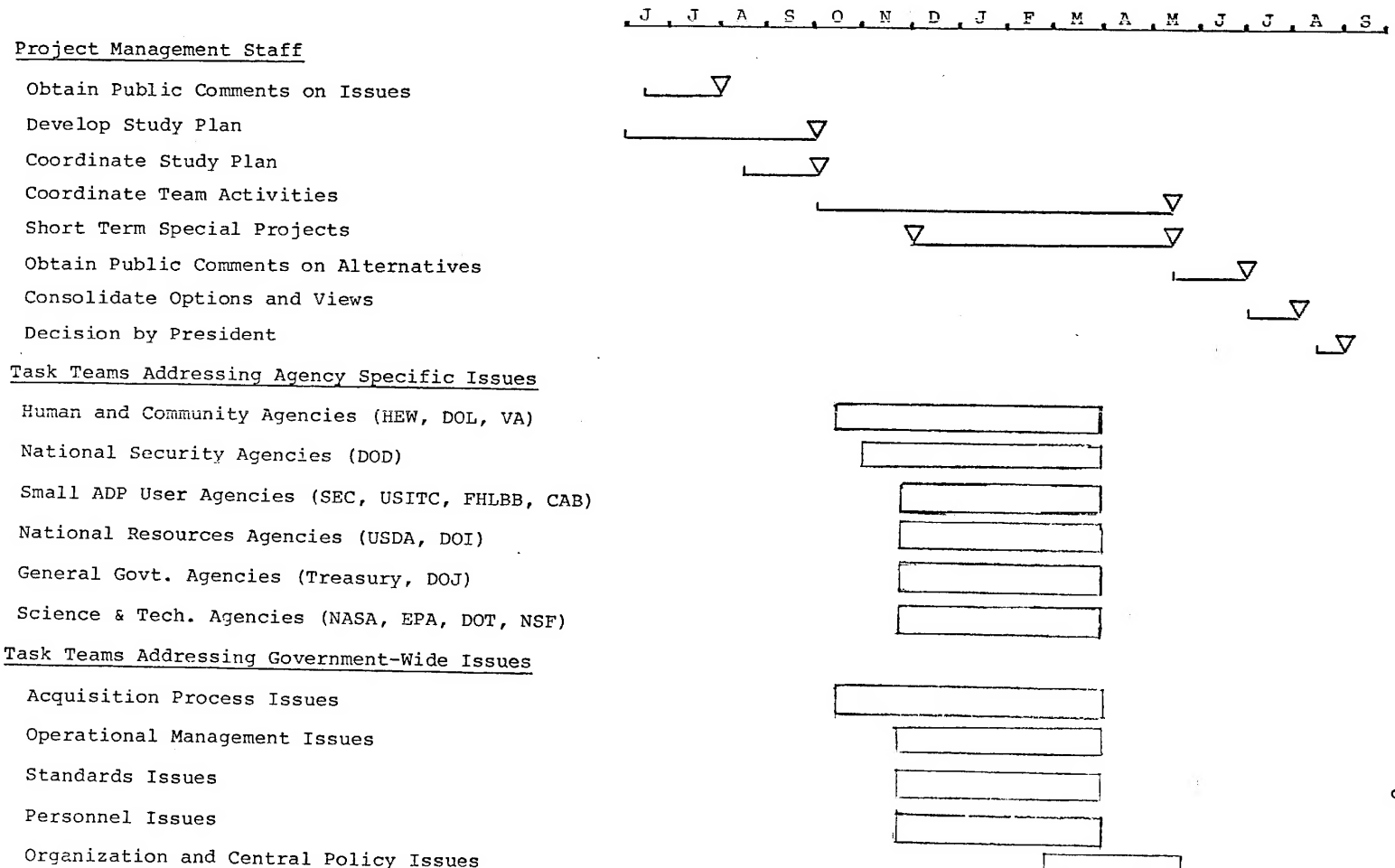   city to meet agency needs. More time has been

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allocated to the acquisition task team because of the magnitude and complexity of the issues to be addressed. The focus of the acquisition task team in relation to that of the agency task teams can be viewed as analogous to the supply and demand equation of the economic market place. The agency task teams will address the demand for data processing resources while the acquisition task team will address the sources of supply.

2. An operational management task team will address problems pertaining to the design of systems and the management of data processing operations. While the agency teams will focus on issues related to agency investment decisionmaking processes and responsibilities for determining "when" technology will be used, this task team will focus on issues related to "how" technology is applied and managed.

3. A task team will address issues pertaining to computer and related telecommunications standards issues.

4. A data processing personnel task team will address personnel problems which are unique to the data processing community.

5. A team will address central policy issues, broad organizational issues and alternative strategies for meeting Federal data processing requirements in the future. The activities of this team have been scheduled late in the study in order that they may benefit from the findings of the teams addressing specific agency issues and the other more specific government-wide issues.

The task statements which follow identify major problems in each task team area which have been identified to date. These statements are not intended to list every problem that will be addressed, but are meant to serve as guide-posts for team activities. When the teams are formed, these issues will be used as the basic framework to develop more detailed task team plans. Task teams will further define the issues, and develop a methodology for conducting their study consistent with guidelines established by PRP and the project management staff. The methodology developed for the first of the six agency task teams will be a prototype for the other agency teams.

MASTER SCHEDULE

FEDERAL DATA PROCESSING REORGANIZATION STUDY

	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S

Project Management Staff

Obtain Public Comments on Issues

Develop Study Plan

Coordinate Study Plan

Coordinate Team Activities

Short Term Special Projects

Obtain Public Comments on Alternatives

Consolidate Options and Views

Decision by President

Task Teams Addressing Agency Specific Issues

Human and Community Agencies (HEW, DOL, VA)

National Security Agencies (DOD)

Small ADP User Agencies (SEC, USITC, FHLBB, CAB)

National Resources Agencies (USDA, DOI)

General Govt. Agencies (Treasury, DOJ)

Science & Tech. Agencies (NASA, EPA, DOT, NSF)

Task Teams Addressing Government-Wide Issues

Acquisition Process Issues

Operational Management Issues

Standards Issues

Personnel Issues

Organization and Central Policy Issues

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AGENCY TASK TEAMS

A high priority has been placed on addressing program agency management problems early in the study for several reasons:

° Agency management problems which have led to greater central regulation and control should be resolved by strengthening the management of these functions within the program agencies rather than increasing central regulation and control.

° Opportunities for more effective use of computer technology in the delivery of Federal services can best be realized through actions by agencies responsible for the management of these programs.

° Investment decisions on the use of computer and communications technology are the responsibility of program agencies.

° Strengthening the management of these functions within agencies is consistent with the President's policy on Cabinet Management.

Six task teams will focus on problems related to agency application of information technology. In particular, they will examine agency decisionmaking processes to determine how mission requirements are linked with data processing investment decisions. These teams will also seek agency views on the government-wide data processing problems to be addressed by the functional task teams.

Five of the six teams will focus on large computer user agencies grouped by similarity of agency missions. The other team will focus on the unique ADP management problems of agencies which are relatively small users of technology.

Major Problems and Opportunities

1. Existing processes have frequently denied agency top management the opportunity to make fully informed data processing investment decisions which have long term implications on how effectively and efficiently the agency will perform its mission in the future. Too often decisions which should be made by top management are left to individual program managers or the data processing service organizations. This has often resulted in unnecessary duplication and a proliferation of systems and computer installations which do not effectively serve the corporate needs of the agency.

2.   Technology has not been applied to its full potential
in the delivery of Government services. At the same time,
it has been unnecessarily applied to the processing of
large volumes of data without adequately looking at the
reasons for collecting the data or the potential use of
the data to improve decisionmaking or the delivery of
services. In many cases, the application of computer
technology to Government processes has resulted in slower
service and a higher level of inaccuracy than was intended.
It has also been applied without adequate consideration of
the needs to minimize the collection of unnecessary per-
sonal data and the establishment of safeguards to minimize
the risk of inadvertent or deliberate misuse of personal
information. As a result, the computer is often viewed
by the public as a device which frustrates rather than
facilitates the delivery of public service and infringes
upon individual privacy. These difficulties are not
generally the result of technological inadequacies but
appear to result from the fragmentation of responsibilities
within the agencies for planning, managing and using
computers.

3.   Inadequate advance planning of computational requirements
has resulted in numerous problems, including unnecessary last
minute sole source procurements, delivery of equipment before
facilities were available to house it, activities being auto-
mated without a cost benefit analysis or proper consideration
of national issues such as privacy and security, computational
resources being acquired that were mismatched to agency
mission requirements and vendors inclurring significant bid,
proposal and testing costs for acquisitions that were can-
celled before award.

4.   Agency budgets for computer and communications resources
are frequently justified on the basis of incremental increases
in capacity or service performance terms (e.g., job rates,
turnaround rates, etc.) which are not clearly supported by
the programmatic needs for the services or the benefits to
be gained by the use of technology. The introduction of
zero-base budgeting for all Federal programs provides an
opportunity to develop more meaningful analyses and justi-
fications for the use of technology and to link technological
applications to program mission needs.

5.   Comments received from many agencies which are relatively
small users of technology indicate that they do not have
ready access to the wide variety of highly specialized skills
and knowledge necessary to effectively automate some of
their activities, to avoid repeating past failures of other

agencies in similar applications, to operate within the
highly technical and complicated rules and regulations which
exist and to obtain and maintain a high quality source of
computational support.

Other Issues to be Considered

The following subjects have been identified through agency
and public comments as being of deep interest and concern.
Agency task teams will investigate these subjects to identify
agency experiences in these areas and to provide input to
the functional cross-cutting teams which are addressing
these subjects in detail.

- Application performance measurement
- Cost accounting and control
- Management of computer operations
- Software management
- Standards
- Personnel management
- Contracting policies and practices
- Computer security
- Audits of computer operations

Potential Benefits

- Improved delivery of services to the public.

- Better planning and identification of requirements.

- Clearer assignment of responsibility for achieving innova-
  tive and effective use of computer and communications
  technology.

- Greater economy and efficiency of operation resulting in
  reduced cost to the taxpayer.

- More effective use of the technology.

- Reduced overlap and duplication in applications and facilities.

- More effective implementation of the requirements of the
  Privacy Act of 1974.

ACQUISITION TASK TEAM

The acquisition of data processing resources is a complex
and controversial issue which involves Federal agencies,
GSA, OMB, Congress, GAO and private industry. There has
been growing criticism that the current acquisition process
is burdensome, time-consuming and inhibits the effective,
efficient and economical use of data processing resources.
The comments received reflect widely divergent views on
the causes of the problems and potential solutions. There
is a strong consensus, however, that the failures of the
existing process must be considered in a broader context
than the current emphasis on hardware procurement.

Major Problems and Opportunities

1. Adequate consideration of alternative sources of supply
for data processing services has not been occurring through-
out the Federal Government. An agency's data processing
requirements can theoretically be satisfied through a number
of means including use or expansion of its own computation
capability, use of other agency computers, use of centrally
operated service centers or use of commercial time-sharing
services. Existing processes for considering the alternatives
have not worked. There is a strongly held point of view that
the existing process places an imbalanced emphasis on the
procurement of equipment. The current division of responsi-
bility for various portions of the acquisition process con-
tributes to the problem. Different organizations have
responsibility for the sharing program, the excess equipment
reutilization program, procurement of services and various
hardware procurements. Each has issued separate procedures
which are not integrated. In addition, there are signifi-
cant differences of opinion on the appropriate distribution
of responsibilities between agencies and the GSA.

2. It currently takes 3-5 years to procure a major data
processing system. This long lead time often results in
significantly increased costs to the agency, private firms
and taxpayers. In some cases, the delays have been so long
that the equipment is no longer appropriate for the agency's
needs by the time it is delivered. Some comments received
question whether the Federal Government is taking full advan-
tage of current technology to increase productivity since
studies have indicated that the median age of the Government's
inventory of computers is approximately six years older than
that of the private sector.

3. There has been substantial criticism that the current
acquisition process does not provide an appropriate level
of competition. Comments from both public and private

sector organizations indicate very strong differences of opinion on changes that should be made to Federal procurement policies and practices to achieve an appropriate level. The concerns and differences of opinion fall into three general areas: (1) apparent inconsistencies in Federal procurement practices for services, hardware, software and other specific components; (2) different views on trade-offs between short term and long term benefits of competition; and (3) differing interests of various public and private organizations.

Other Issues to be Considered

° The implications of technological developments on current procurement policies.

° Operation of the ADP sharing program.

° The relationships between ADP procurement policy and other Federal Procurement Policies.

° The method of financing ADP procurements.

° Multi-year leasing.

° Interim upgrade policies.

° The acquisition of software, maintenance services and other contract services.

° The use of functional specifications.

° Cost considerations in the evaluation of ADP systems; e.g., life cycle costs, conversion costs, etc.

Potential Benefits

° Cost reductions as a result of lower administrative expenses, elimination of unneeded purchases, less paperwork, increased competition and better decision rules.

° Better delivery of Government services through timely acquisition of appropriate technology to service public needs.

° Reduced overlap and duplication of authority and regulations.

OPERATIONAL MANAGEMENT TASK TEAM

The operational management task team will address issues
pertaining to the design of systems and the management of
data processing operations.

Major Problems and Opportunities

1.   Automated systems frequently fall short of meeting
management's expectations. Plans for integrating the new
automated systems with on-going work processes are fre-
quently not sufficiently defined before system development
efforts are initiated; system development is frequently
initiated before system goals and design parameters are
clearly defined and approved; responsibility for develop-
ment is frequently delegated with only minimal system design
and test controls; and systems are frequently placed in an
operational mode before they have been adequately debugged.
Recent GAO reports have served to highlight improper payments,
unnecessary purchases and other wasteful actions that have
resulted from poorly designed computer systems.

2.   Many opportunities for increasing the operational effi-
ciency of computer applications and operations are being
overlooked. Programs designed for earlier generations of
computers are being operated at suboptimal levels on newer
equipment. Incompatible programs, operated in the same
computer environment, are reducing overall operational
efficiency. Evolving hardware and software performance
measurement techniques can be used to identify ways of in-
creasing operational efficiency. Few installations have an
adequate way of gauging how well its resources are being
used. Standards for measurement of productivity should be
established for all Federal computer installations.

3.   Unnecessary duplication of software development and
procurement is significantly increasing the cost of Federal
data processing operations. Currently there are only
limited mechanisms to enhance the opportunities for
sharing computer programs developed or purchased by the
over 3,400 Federal installations. Software investment
decisions are often made at relatively low levels in the
organization with virtually no central management review.

4.   Federal data processing operations are frequently not
subjected to competitive market pressures and therefore do
not have the necessary incentive to keep costs to a minimum.
Users and management frequently do not know the full cost
of using computers to serve their needs and consequently
management decisions to use in-house data processing resources

are made without knowing the full costs. Many agencies do not identify or charge an appropriate portion of their over-head costs for their computer operations. In other cases only direct or "out of pocket" costs are allocated or charged. The lack of full cost data for Government computer operations has precluded meaningful analysis of the comparative costs of Government operations in relation to commercial services.

Other Issues to be Considered

° Establishment of priority mechanisms for scheduling work-load.

° Development of security measures to protect both the data processing facility as well as the data.

Potential Benefits

° Better delivery of Government services through development of systems which are more responsive to public and agency management needs and more responsive and error free operations.

° Better protection of personal, proprietary, classified and other sensitive data.

° Lower overall costs as a result of greater sharing of operational experiences, reduced duplication of development effort, lower system development costs, improved system performance through better management techniques and elimination of unneeded software development.

° Better measurement and evaluation of the effectiveness of systems and operations and accounting of full costs operations.

STANDARDS TASK TEAM

The development and implementation of effective government-wide standards for data processing equipment, software and management procedures has the potential of reducing the need for noncompetitive procurements, facilitating the transfer of technology between agencies and providing opportunities for achieving significant cost savings. However, there has been much criticism that the standards program has never achieved its expected level of effectiveness and therefore, the potential benefits of standards remain unrealized. There appears to be general agreement that the existing Federal data processing standards program needs to be reevaluated and strengthened but in a manner which will not stifle competition or preclude the use of new technology.

Major Problems and Opportunities

1. The lack of goals and objectives for the Federal data processing standards program has resulted in a large number of standards activities which are frequently criticized as lacking focus or direction toward the resolution of major Federal problems such as reducing software conversion costs, increasing the portability of programs, reducing program maintenance costs, etc. The large number of concurrent standards development activities also increases the costs to agencies and industries participating in these activities.

2. Methodology has not been developed for evaluating the potential costs and benefits of proposed standards. As a result, management is frequently asked to approve the adoption and use of standards without knowing the merits or consequences of the decision they are being asked to make.

3. Standards which have been developed have not been effectively implemented. There is substantial disagreement on reasons why existing standards have not been implemented. Many hold the view that there is no incentive for the agencies to implement existing standards because the benefits of the standard to either them or the Government as a whole have not been demonstrated. Others hold the view that standards have not been implemented because no Government agency has authority to force other agencies to implement and use standards.

Other Issues to be Considered

° The Federal Government's use of standards developed by the private sector.

° Federal participation in the development of voluntary commercial data processing standards.

° The proper role for NBS in the development, implementation and enforcement of data processing standards.

° Identification of areas where standards would be helpful but do not now exist.

° Development of a mechanism for measuring the actual benefits of standards against expected benefits.

Potential Benefits

° Clarify appropriate Government roles and organizational responsibilities for computer and related communications standards.

° Reduce the time and costs associated with standards development efforts.

° Eliminate unnecessary or marginal standard development activities.

° Eliminate overlap and duplication in standards development activities.

° Improve quality of data processing services.

° Improve transfer of technology among agencies.

° Avoid acquisition of marginal quality products and services.

° Increase competition.

° Reduce costs of operations.

DATA PROCESSING PERSONNEL TASK TEAM

Competent and highly motivated people are the most important resource required to achieve effective and efficient use of computer and related communications technology. Personnel costs also represent the largest element of Federal data processing costs. In fiscal year 1976, Federal agencies spent over $1.6 billion to pay for salaries and benefits of approximately 111,000 civil servants engaged in data processing activities. This represents over 48% of the Government's expenditures for data processing. In addition, over $750 million was spent for commercial support services such as systems analysis and programming, computer operations and maintenance. Most of these expenditures are for people intensive activities.

Major Problems and Opportunities

1. Agencies are experiencing difficulty in hiring and retaining the skilled people necessary to assure effective utilization of technology. Classification systems and recruitment practices do not reflect today's highly specialized and changing skill requirements. Skills of Government employees are not adequately maintained through incentive structures, training programs, mandatory skill testing and certification programs or other alternatives.

2. The trend toward specialization in certain data processing jobs such as systems software, performance measurement, programming, etc. has created a conflict between an agency's need to keep qualified and skilled personnel in specialized areas and the need to broaden individual skills to enhance their opportunity for promotion. The current pay incentive structure motivates many civil servants to leave highly specialized jobs at the same time that the Government's need for highly specialized skills is increasing. Concurrently, highly competent individuals with specialized technical skills who do not desire administrative work or lack the aptitude for such work frequently leave the Government to achieve both job satisfaction and better pay in the private sector. The trend toward centralization of data entry, word processing and other repetitive functions, where efficiencies can be realized through specialization, has also created a number of morale and job satisfaction problems.

3. Data processing is generally viewed as a technical support speciality and not as an integral part of general line and functional management. As a result, data processing questions are not integrated into agency decisionmaking or policy setting;

communications between computer system developers, operators and users are ineffective; and responsibility for development and operation of systems is not appropriately shared.

4. New tools, and techniques which promise major increases in personnel productivity have been and are being developed, e.g., DBMS, structured programming. etc. Job classifications and other elements of the Government's personnel management have not been adjusted to allow the Government to reap full benefit of these developments.

Other Areas to be Considered

° Actions needed to stimulate and support a more effective distribution of ADP personnel resources, e.g., to development vs. maintenance.

° The need for computer and communications training for general line, functional and administrative personnel.

° The effects of contracting for computer services on:

- The Government's ability to effectively utilize technology.
- The Government's ability to maintain state-of-the-art skills.
- New skill requirements for defining and accepting delivery of contracted goods and services.

° Individual agency training programs in relation to Civil Service Commission and other control agency training programs.

Potential Benefits

° Increase ability to hire qualified people with less red tape and paperwork.

° Increased ability to retain skilled people.

° Greater morale and job satisfaction.

° More effective use of technology.

° Higher productivity.

° A more appropriate balance between in-house and contractor personnel.

° Reduced personnel costs.

° Increased esteem of the data processing community.

ORGANIZATION AND CENTRAL POLICY TASK TEAM

A number of fundamental issues have been raised about the way in which the Federal Government is organized to manage its data processing resources. This team will address (1) the roles and responsibilities of the central policy making agencies (OMB, GSA, and NBS) and their relationships to those of the user agencies, (2) alternative organizational options for fulfilling Federal data processing requirements, and (3) specific areas of centralized policy concern or opportunities for improvement which are not being addressed by the other task forces. The activities of this team have been scheduled late in the project so that they have the benefit of the detailed analysis of specific problems performed by the other task teams.

Major Problems and Opportunities

1. The current division of responsibility for policy guidance on computer and related telecommunication activities between OMB, GSA, Commerce and CSC is not clearly understood and has created considerable confusion. Public Law 89-306, the Brooks Act, assigned to the Director of the Bureau of the Budget "fiscal and policy control" over the authorities which the Act conferred upon the Administrator of General Services and the Secretary of Commerce. In 1973, this general mandate was split by Executive Order 11717 which transferred OMB's policy development functions and associated personnel to GSA and the ADP standards approval responsibility and personnel to Commerce. In 1975 the Justice Department's Office of Legal Counsel found that Executive Order 11717 retained "policy formulation" responsibility in OMB. The net effect of these shifts and subtle definitional differences has been to confuse the basic accountability for issuing clear, concise policy. The confusion in central management responsibility has resulted in a proliferation of regulatory procedures and rules as well as overlapping reporting requirements imposed on agencies by OMB, GSA and Commerce.

2. The current semicentralized arrangement of responsibilities for Federal data processing management was established in the mid 1960's based on the problems which were current at that time. More than a decade has passed and technology has advanced substantially, markets have changed, much experience has been gained and the use of computers has expanded into many new areas. Major alternative strategies for meeting Federal data processing requirements in light of current technology should be evaluated.

3. The technology of computers and teleprocessing is becoming increasingly complex. Specifically, the differences between telecommunications and computing, minicomputers, microcomputers, and office machines are becoming less and less distinct. Organizational responsibility and oversight for computers, communications and office equipment are divided among a number of agencies and bureaus. The result has been the issuance of management policies and procedures which fail to recognize the similarity and interrelationships of the technology, are often overlapping and sometimes inconsistent. This has created confusion, uncertainty and suboptimization of the management of these resources.

Other Issues to be Considered

° Sharing of data between the executive and legislative branches.

° Improvements to the ADP Management Information System.

° Policies pertaining to Federal information processing requirements placed on State/local government.

Potential Benefits

° More dynamic leadership for data processing issues in the executive branch.

° Better balancing of the sometimes conflicting objectives of mission responsiveness and governmental efficiency.

° More clearly articulated and concise policy emanating from a reduced number of sources.

° Reduction in reporting burden and increased effectiveness in agency planning.

° A policy posture which encourages rather than discourages more effective use of technology.

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